

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 8, 2021

Tiburon Place, located at 3750 Bullock Lane in San Luis Obispo, requested and is being recommended for a reservation of \$1,695,612 in annual federal tax credits and \$9,184,455 in total state tax credits to finance the new construction of 67 units of housing serving special needs tenants with rents affordable to households earning 25-60% of area median income (AMI). The project will be developed by People's Self-Help Housing Corporation and will be located in Senate District 17 and Assembly District 35.

The project financing includes state funding from the NPLH program of HCD.

Project Number CA-21-737

Project Name Tiburon Place
 Site Address: 3750 Bullock Lane
 San Luis Obispo, CA 93401 County: San Luis Obispo
 Census Tract: 115.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,695,612	\$9,184,455
Recommended:	\$1,695,612	\$9,184,455

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant: Tiburon Place, L.P.
 Contact: Rigoberto Guzman
 Address: 3533 Empleo Street
 San Luis Obispo, CA 93401
 Phone: 805-540-2480
 Email: rigobertog@pshhc.org

General Partner(s) or Principal Owner(s): Tiburon Place LLC
 General Partner Type: Nonprofit
 Parent Company(ies): People's Self-Help Housing Corporation
 Developer: People's Self-Help Housing Corporation
 Bond Issuer: California Municipal Finance Authority
 Investor/Consultant: Community Economics, Inc.
 Management Agent: People's Self-Help Housing Corporation

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 2
 Total # of Units: 68
 No. / % of Low Income Units: 67 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HOME

Information

Housing Type: Special Needs
 Geographic Area: Central Coast Region
 TCAC Project Analyst: Tiffani Negrete

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
25% AMI: 24	36%
30% AMI: 10	15%
40% AMI: 2	3%
50% AMI: 8	12%
60% AMI: 23	34%

Unit Mix

18 SRO/Studio Units
24 1-Bedroom Units
26 2-Bedroom Units
68 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
13 SRO/Studio	25%	\$260
5 SRO/Studio	30%	\$513
5 1 Bedroom	25%	\$285
5 1 Bedroom	30%	\$550
2 1 Bedroom	40%	\$733
2 1 Bedroom	50%	\$917
10 1 Bedroom	60%	\$1,100
6 2 Bedrooms	25%	\$310
6 2 Bedrooms	50%	\$1,101
13 2 Bedrooms	60%	\$1,321
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$25,000
Construction Costs	\$21,157,131
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,057,857
Soft Cost Contingency	\$200,000
Relocation	\$0
Architectural/Engineering	\$849,000
Const. Interest, Perm. Financing	\$2,373,194
Legal Fees	\$140,000
Reserves	\$682,938
Other Costs	\$3,768,501
Developer Fee	\$4,253,207
Commercial Costs	\$0
Total	\$34,506,827

Residential

Construction Cost Per Square Foot:	\$353
Per Unit Cost:	\$507,453
True Cash Per Unit Cost*:	\$478,228

Construction Financing

Source	Amount
Chase - T.E. Bonds	\$18,305,263
Chase - Taxable Loan	\$9,486,215
City of San Luis Obispo	\$700,000
COSLO** - HOME	\$400,000
Accrued Interest	\$36,098
General Partner Equity	\$100
Tax Credit Equity	\$1,451,040

Permanent Financing

Source	Amount
Chase - T.E. Bonds	\$1,840,000
HCD - NPLH	\$6,431,434
City of San Luis Obispo	\$700,000
COSLO** - HOME	\$400,000
Accrued Interest	\$36,098
Deferred Developer Fee	\$1,987,339
General Partner Equity	\$100
Tax Credit Equity	\$23,111,856
TOTAL	\$34,506,827

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

**County of San Luis Obispo

Determination of Credit Amount(s)

Requested Eligible Basis:	\$32,607,919
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$42,390,295
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,695,612
Total State Credit:	\$9,184,455
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,253,207
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.90263
State Tax Credit Factor:	\$0.85000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions

In determining the adjusted threshold basis limit, the applicant included \$3,062,231 in local development impact fees. However, the applicant did not provide the required 3rd party documentation from the local agency for fees in the amount of \$273. In addition, the applicant requested but did not qualify for the threshold basis limit increase for High Opportunity Area because the project is located in a county where the unadjusted threshold basis limit for 2-bedroom units exceeds \$400,000. Staff reduced the total adjusted threshold basis limit accordingly to \$58,733,099. This reduction has no affect on the project.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.